

Name of Committee: Override Study Committee

Meeting Date: February 10, 2014

Time: 6:00 p.m.

Meeting Location: Town Hall- 5th Floor School Committee Room

Members Present:

X	Clifford Brown	X	Kevin Lang	X	Beth Jackson Stram
X	Alberto Chang		Carol Levin	X	Timothy Sullivan
X	Chad Ellis	X	Sergio Modigliani		Ann Connolly Tolkoff
X	Janet Gelbart	X	Lee Selwyn	X	Dick Benka – Co-Chair
X	Michael Glover	X	Lisa Serafin Sheehan	X	Susan Wolf Ditkoff – Co-Chair
	Carol Kamin	X	James Stergios		

Staff Present: Melissa Goff, Assistant Town Administrator; Peter Rowe, Deputy Superintendent for Administration and Finance; Sean Cronin, Deputy Town Administrator; Mel Kleckner, Town Administrator; Bill Lupini, Superintendent of Schools

Topic: Approval of minutes

The minutes from the 1/15/14 meeting were approved as amended.

The minutes from the 1/22/14 public hearing were approved unanimously.

Topic: FY15 Budget - revenue and expenditure assumptions

Dick Benka said that a draft school budget was presented at the School Committee's Finance Subcommittee. The Town Administrator's budget helps close the structural gap, but there are expenditures on the School side that go beyond that. Jim Stergios asked if the "bridge" was for one year or in perpetuity. Mel Kleckner responded that there is an additional \$1 million of revenue from a combination of increases in rates and fines. He is recommending that 100% of this revenue go to the schools and that means it would be built into the base for the following year. Any incremental changes would be addressed through the Town/School Partnership the following year. Jim said he is concerned about one-time revenue sources and the implication for FY16 and beyond. Are we digging a bigger hole? Some of the growth in expenditures is not related to enrollment. He does not think that it is good budget practice to use one-time revenue, and is curious as to why some of the sources identified by the Schools were not identified earlier. He'd like to understand how the technology plan impacts 2016 and beyond. He would like to understand the governance behind the technology decisions. How does this change the plan going forward? Lisa Serafin Sheehan asked what the timeline would be after they see the budget. Susan Wolf Ditkoff said that a 2-page summary and a draft budget message will be available tomorrow. Dick said that he is concerned about the budget being sustainable given the use of \$650K in reserves and pushing collective bargaining downstream. Susan said that it is not unusual for the School Department to use reserves. They recognize that it is bad budget practice, but it is something that they have had to do for the past several years. Chad Ellis stated that the School Department is using reserves to avoid painful cuts and counting on an override the following year. Tim Sullivan asked what expansion could be put off for another year that won't make things worse. He is eager to discuss this with the schools.

Kevin Lang asked what role the OSC should be playing in the FY15 budget process. Dick said that they can comment on the school choices, but they have no control of what the School Committee does with the funds under their control. Kevin asked if it were possible to raise the refuse fee instead of using one-time money. Mel Kleckner responded that they are using the Governor's budget numbers for Ch. 70 and believe that it's a conservative estimate. GIC rates will also be known in March. They are using 5%, and believe this could also improve things too.

Bill Lupini presented his FY15 budget outline. There will be \$300K left in reserves after using \$650K in FY15. Lee Selwyn asked if the number of kids was 600 how the budget would be different. Bill said it would be possible to reduce by one section, but he would need more information in order to say for sure. It would be somewhere in the order of \$126-\$156K. Chad asked about the reduction for the Director of Community Engagement. What happened? Bill responded that he had to make choices. They have a study underway on central office staffing, and there will be proposals coming out of that study. Susan said that there has been some confusion as to the role of this position. With the Old Lincoln School, Hancock Village, MCAS transition, and other big initiatives they thought a community liaison was necessary. Lee asked if there was severance due to the cut. Bill said no, the contract for this position ends 6/30. Susan added that the cuts in professional development and the Special Education Budget Analyst have generated a lot of discussion at the School Committee level.

Jim asked how the override numbers change based on what is getting implemented in this budget. Bill said that will be part of his 3/13 presentation, and they will revisit with the OSC after they run through the impacts. Jim asked about the governance changes associated with the IT plan. Bill said that the conversation will be had over the next few months. Jim asked if the 1% collective bargaining assumption should be assumed in the years to follow. Bill said recent agreements in other communities have been higher, so no. Lee asked about fringe benefits and how they factor into the numbers presented by the schools. Wouldn't the Town also have a deficit? Peter Rowe explained that the school allocation from the Town/School partnership agreement has been reduced by the assumed growth in school FTEs. Mel explained how there is an estimated growth of 40 FTEs assumed in the benefits budget. Tim asked if this budget represents their priorities. Susan said that this represents the priorities this year, and it will evolve year-to-year.

Tim said that a lot of what is included in technology appears to be one time. Is it one-time that they hope will be more than one time? Bill said yes. Susan added that the School Committee thinks that coaching will be a necessary part of the technology plan, but it currently is not in the budget. Lisa said that she was struck by the level of reductions at the staff level, and though it showed how big of a priority the technology plan was.

Topic: Non-resident population analyses

Beth Jackson Stram presented on the FY15 budget impacts of reducing non-resident K enrollment. A copy of the presentation (02-10-14 School population analysis FY15 operating budget impacts) can be found here:

http://www.brooklinema.gov/index.php?option=com_docman&Itemid=1797

An assumed reduction of 26 would allow for the reduction of 1 classroom. Alberto asked how that determination could be made if the reduction was spread among the eight schools. Sergio said that the incoming cohort can have discretionary placements. Bill said that it is not discretionary in the case of siblings, and that 30-50% of the Materials Fee and METCO groups are siblings. METCO is approximately 50% and Materials Fee approximately 40%. Susan asked if this was an implement-ability or a modeling exercise. Beth said it was modeling. Janet Gelbart said that the number goes from 26 to 22 when considering the sibling factor. Chad said that known information on siblings can help the buffer zone decisions. Dick asked about the space assumed for non-residents. The presentation assumes that one less K class would not change next year's capital costs. Don't capital costs need to be factored in? Beth said that no change is needed in FY15 because the impact is in later years. Peter said that they are currently renting from two temples for pre-K, so they would also look to bring those classrooms back eventually. Lisa asked if there was room in the lease to back off if some space isn't needed. Peter said not in the short term. Bill said that there are also some classes in substandard spaces, and they would like to change that too.

Lee walked the committee through his model. The Committee discussed the long run vs. incremental costs. Lee said that the model does not address value, but judgment needs to be made while being aware of the costs. Beth had an e-mail from Kevin, who had to leave early. Kevin's questions from the e-mail will be addressed on Wednesday. Sergio asked if the model assumes no new kids. Lee said that Scenario 1 assumes 100% cohort survival. Dick asked when decisions are made on these programs. Bill responded that for the Materials Fee there are three separate processes. Unit A applications historically have been in at the end of the current month. Then the remaining School and Town employees are typically handled about a month after. The process for METCO has already begun since the number is based on the number of graduates and attrition. METCO siblings are noticed almost immediately, and then after the kindergarten numbers are known mid-late March for those placements. Sergio asked if it was possible for a Unit A child to not get placed. Bill said that they are the priority, and it is unlikely they wouldn't get placed.

The Committee discussed the different approaches used in Beth's model vs. Lee's model. Beth said that Lee's model provides a number that can be used for policy discussion purposes and hers is for the FY15 budget. Lee stressed the importance of looking at the long-term costs. He has looked at data from the Department of Education's website, and has come up with similar results when looking at other communities. Alberto said that a 2-3 year model would also be helpful. Tim asked if the model would work to provide an override number. Lee said that the B-Space report came up with 20 classrooms while he looked at how many fewer might be needed. There are other factors that would influence an override number, but it does give an order of magnitude. Sergio noted that rapid growth in the popularity of the Materials Fee program. Jim asked if the growth was due to recruiting younger teachers or because more are moving out of town. Susan said it's likely due to younger teachers. She noted that the Town/School partnership numbers are incremental and if a long term number is used what the difference would be in costs. Peter responded that the estimate is based on sections and not per pupil.

Lisa presented the Capital Subcommittee's analysis on classroom demand. A copy of the presentation (02-10-14 capital subcommittee classroom demand) can be found here:

http://www.brooklinema.gov/index.php?option=com_docman&Itemid=1797

It was noted that Runkle is a rare example given the cost per sq. ft. that was driven by the recession. Devotion is much more complex and elaborate. There are many unknowns, but there is a range that can be used. The High School is not in the analysis as they don't have any numbers for that yet. Sergio noted that there are policy options that can reduce the number of classrooms. The common space impacts are unclear, especially in the Lawrence numbers. Lisa said that the numbers used per sq. foot were more for the classroom reduction discussion, and were not meant to be used for capital planning.

The meeting concluded at 9:10PM. The remaining agenda items will be carried over to the 2/12 meeting.